



# South Coast Air Quality Management District

21865 Copley Drive, Diamond Bar, CA 91765-4178  
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**TO: Legislative Committee**  
**Josie Gonzales, Chair**  
**Michael D. Antonovich, Joe Buscaino**  
**Judy Mitchell, and Dr. Clark Parker, Sr.**

**FROM: Lisha B. Smith, Deputy Executive Officer, Legislative and Public Affairs**

## **LEGISLATIVE COMMITTEE MEETING**

February 14, 2014 ♦ 9:00 a.m. ♦ Conference Room CC8  
21865 Copley Drive, Diamond Bar, CA 91765

## **TELECONFERENCE LOCATIONS**

Hall of Administration  
500 West Temple Street  
Room 493  
Los Angeles, CA 90012

11461 West Sunset Blvd.  
Brentwood Room 1  
Los Angeles, CA 90049

4045 Palos Verdes Drive North  
Rolling Hills Estates, CA 90274

*(Public may attend at all locations)*

## **AGENDA**

### **INFORMATION/DISCUSSION/ACTION ITEM:**

**1. Update on Federal Legislative Issues**

*[No written material]*

*Consultants will report on air quality issues pending in  
Washington, D.C.*

*Mark Kadesh  
Kadesh & Associates, LLC*

*Mia O'Connell  
Carmen Group*

**2. Recommend Position on the following Federal Bill:**

*[Attachment 1]*

*This item is to seek approval from the committee on staff's  
recommendation for position on the following bill:*

<b><u>Bill#</u></b>	<b><u>Author</u></b>	<b><u>Bill Title</u></b>	
H.R. 3963	Huffman	Federal Leadership in Energy Efficient Transportation (FLEET) Act of 2014	<i>Marc Carrel Program Supervisor</i> pgs. 3-12

3. **Update on Sacramento Legislative Issues**  
**[No written material]**  
*Consultants will report on air quality and other legislative issues in Sacramento.*

*Will Gonzalez  
Gonzalez, Quintana &  
Hunter, LLC*

*Jason Gonsalves  
Paul Gonsalves  
Joe A. Gonsalves & Son*

4. **Update on AB 1330 (Perez) Environmental Justice**  
**[No written material]**  
*Staff will provide update to legislation.*

*Barbara Baird  
Chief Deputy Counsel*

5. **Report from the SCAQMD Home Rule Advisory Group**  
**[Attachment 2 – Written Report]**  
*The item provided is the meeting minutes of HRAG's updates as input to the Legislative Committee.*

pgs.13-14

6. **Other Business**  
*Any member of this body, or its staff, on his or her own initiative or in response to questions posed by the public, may ask a question for clarification, may make a brief announcement or report on his or her own activities, provide a reference to staff regarding factual information, request staff to report back at a subsequent meeting concerning any matter, or may take action to direct staff to place a matter of business on a future agenda. (Govt. Code Section 54954.2)*
7. **Public Comment Period**  
*Members of the public may address this body concerning any agenda item before or during consideration of that item (Govt. Code Section 54954.3(a)). All agendas for regular meetings are posted at District Headquarters, 21865 Copley Drive, Diamond Bar, California, at least 72 hours in advance of a regular meeting. At the end of the regular meeting agenda, an opportunity is also provided for the public to speak on any subject within the Legislative Committee's authority. Speakers may be limited to three (3) minutes each.*

### **Document Availability**

*All documents (i) constituting non-exempt public records, (ii) relating to an item on an agenda for a regular meeting, and (iii) having been distributed to at least a majority of the Committee after the agenda is posted, are available prior to the meeting for public review at the South Coast Air Quality Management District, Public Information Center, 21865 Copley Drive, Diamond Bar, CA 91765.*

### **Americans with Disabilities Act**

*The agenda and documents in the agenda packet will be made available, upon request, in appropriate alternative formats to assist persons with a disability (Gov't Code Section 54954.2(a)). Disability-related accommodations will also be made available to allow participation in the Legislative Committee meeting. Any accommodations must be requested as soon as practicable. Requests will be accommodated to the extent feasible. Please contact Julie Franco at (909) 396-2958 from 7:00 a.m. to 5:30 p.m., Tuesday through Friday, or send the request to [jfranco@aqmd.gov](mailto:jfranco@aqmd.gov).*

**NOTE: The next scheduled Legislative Committee meeting is on Friday, March 14, 2014.**

## **Attachment 1A**

### **H.R. 3963 (Huffman)**

#### **Federal Leadership in Energy Efficient Transportation (FLEET) Act of 2014**

##### **Summary:**

Requires the United States Postal Service (USPS) to reduce its petroleum consumption by 2% each year over the next 10 years. This Act will increase cost savings by reducing expenditures on petroleum fuel and maintenance and sets benchmarks to make the USPS fleet a global leader in efficiency and innovation.

##### **Background:**

The USPS owns and operates the world's largest civilian vehicle fleet: 192,000 mail delivery vehicles that are driven 4.3 million miles per day. More than 141,000 are aging Grumman LLVs, which average only 10 miles per gallon. This vehicle first entered service in 1987, and the majority have reached the end of their 24-year operational lifespan. Fueling these vehicles comes at a high cost: in FY 2010, the petroleum fuel bill for all postal transportation totaled \$1.7 billion. And, since 2005, the USPS has marked a 6.4% increase in petroleum use.

According to the author, the goal of this bill is to upgrade the USPS vehicle fleet, to improve mail delivery services to benefit customers and the environment, to increase savings by reducing maintenance or other costs, and to set benchmarks to maximize fuel economy and reduce emissions for the Postal fleet.

The author also states that this bill will reduce expenditures on petroleum fuel and maintenance and sets benchmarks to make the USPS fleet a global leader in efficiency and innovation by modernizing its "inefficient and outdated" vehicle fleet. According to the Union of Concerned Scientists, implementation of the FLEET Act would save the Postal Service an estimated 150 million gallons of fuel over the next ten years—about \$400 million.

##### **Status:**

On January 29, 2014, the bill was introduced and referred to the House Committee on Oversight and Government Reform and to the House Committee on Energy and Commerce. No hearings are set on this bill.

##### **Specific Provisions:**

This bill requires that the Postmaster General develop guidelines for contracted vehicles and vehicles purchased or leased for use by the USPS that, at a minimum, include the following:

- Light-duty vehicles must comply with applicable U.S. EPA standards for carbon dioxide emissions developed pursuant to the Clean Air Act and may not exceed an average of 250 grams per mile. Light duty vehicles must also meet applicable federal average fuel economy standards of 34.1 miles per gallon.

- Medium-duty and heavy-duty vehicles must comply with applicable U.S. EPA standards for carbon dioxide emissions developed pursuant to the Clean Air Act and meet applicable federal average fuel economy standards.

The guidelines would go into effect one year after the enactment of this Act.

This bill also requires the Postmaster General to ensure that the USPS reduce the total consumption of petroleum products by vehicles in its fleet by a minimum of two percent annually through the end of fiscal year 2025, relative to the baseline established for fiscal year 2005. The Postmaster General is directed to conduct a cost-benefit analysis to determine if the cost to maintain any vehicle outweighs the benefit or savings of replacing that vehicle.

To inform and prioritize purchases, this bill requires the Postmaster General to review and identify Postal delivery routes to determine if motor vehicles used on those routes can be replaced with technologies that increase average fuel economy or reduce carbon dioxide emissions.

The Postmaster General is required to submit a report to Congress within one year of this Act's enactment which contains a plan to achieve the guidelines he develops, and recommendations for vehicle body design specifications for vehicles purchased for the USPS fleet that would increase average fuel economy and reduce carbon dioxide emissions. Then reporting must continue on an annual basis describing the USPS's progress in meeting the annual target and any changes to Postal delivery routes or vehicle purchase strategies.

The USPS may not reduce the frequency of mail delivery to fewer than six days per week, close post offices or postal distribution facilities, take any action that would restrict or diminish a collective bargaining agreement or eliminate or reduce any employee benefits; or enter into a contract with a private company to perform duties that, as of the date of enactment, are performed by bargaining unit employees.

**Impacts on SCAQMD's Mission, Operations or Initiatives:**

This legislation would have some impact on the South Coast Air Basin as it would clean up an often ignored fleet that is not subject to SCAQMD or CARB regulations. With 192,000 mail delivery vehicles serving the entire U.S., approximately 9,600 postal vehicles (5%) are used for mail delivery in the South Coast Air Basin. This effort is not only consistent with the district's "Powering the Future" vision but also with the Governing Board's energy policy to move toward vehicles which have zero- or near-zero-emissions.

**Recommended Position: SUPPORT AND RECOMMEND AMENDMENTS**

As the bill moves forward, it could be strengthened by adding to Sectional 804(4) of the National Energy Conservation Policy Act (42 U.S.C. 8287c(4)) the following amendments:

### SEC. 3. AUTHORITY TO ENTER INTO ENERGY SAVINGS PERFORMANCE CONTRACTS.

Section (c)(ii).....a measure to upgrade a vehicle owned, operated, leased, or otherwise controlled by or assigned to the United States Postal Service to increase average fuel economy and reduce the emissions of *criteria pollutants and* carbon dioxide of such vehicle; or

Section {c}(iii).....the construction of infrastructure, including electric vehicle charging *and/or alternative fueling stations*, to support vehicles described in clauses (i) and (ii).....

### SEC. 4. UPGRADE OF POSTAL FLEET

(b) Replacing Vehicles Within the Postal Fleet- The Postmaster General shall conduct a cost benefit analysis of vehicles in the Postal fleet to determine if the cost to maintain any such vehicle outweighs the benefit or savings of replacing the vehicle *and prioritize the replacement of vehicles in the Postal fleet based on the replacement vehicles cost effectiveness in reducing criteria and greenhouse gas pollutants as well as the reduction in maintenance and petroleum fuel costs.*

(c) Route Requirements – To inform and prioritize purchases, the Postmaster General shall review and identify Postal delivery routes to determine if motor vehicles used on such routes can be replaced with technologies that increase average fuel economy or reduce emissions of *criteria pollutants and* carbon dioxide.

(d) Reporting Requirements – (a) and recommendations for vehicle body design specifications for vehicles purchased for the Postal fleet what would increase average fuel economy and reduce emissions of *criteria pollutants and* carbon dioxide of any such vehicle; and.....

113TH CONGRESS  
2D SESSION

# H. R. 3963

To provide for the upgrade of the vehicle fleet of the United States Postal Service, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 29, 2014

Mr. HUFFMAN (for himself and Mr. CONNOLLY) introduced the following bill; which was referred to the Committee on Oversight and Government Reform, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To provide for the upgrade of the vehicle fleet of the United States Postal Service, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Federal Leadership  
5 in Energy Efficient Transportation Act of 2014” or the  
6 “FLEET Act”.

1 **SEC. 2. PURPOSES.**

2       The purposes of this Act are to provide for the up-  
3 grade of the vehicle fleet of the United States Postal Serv-  
4 ice, to improve mail delivery services to benefit customers  
5 and the environment, to increase savings by reducing  
6 maintenance or other costs, and to set benchmarks to  
7 maximize fuel economy and reduce emissions for the Post-  
8 al fleet with the goal of making the Postal Service a na-  
9 tional leader in efficiency and technology innovation.

10 **SEC. 3. AUTHORITY TO ENTER INTO ENERGY SAVINGS PER-**  
11 **FORMANCE CONTRACTS.**

12       Section 804(4) of the National Energy Conservation  
13 Policy Act (42 U.S.C. 8287c(4)) is amended—

14           (1) in subparagraph (A), by striking “or” after  
15 the semicolon;

16           (2) in subparagraph (B), by striking the period  
17 at the end and inserting “; or”; and

18           (3) by adding at the end the following new sub-  
19 paragraph:

20           “(c) in the case of a contract in which the  
21 United States Postal Service is a party—

22                   “(i) the purchase or lease of low emis-  
23 sion and fuel efficient vehicles;

24                   “(ii) a measure to upgrade a vehicle  
25 owned, operated, leased, or otherwise con-  
26 trolled by or assigned to the United States

Postal Service to increase average fuel economy and reduce the emissions of carbon dioxide of such vehicle; or

“(iii) the construction of infrastructure, including electric vehicle charging stations, to support vehicles described in clauses (i) and (ii).”.

**SEC. 4. UPGRADE OF POSTAL FLEET.**

(a) POSTAL FLEET REQUIREMENTS.—

(1) MOTOR VEHICLE STANDARDS.—The Postmaster General shall develop guidelines for contracted vehicles and vehicles purchased or leased for use by the Postal Service, that, at a minimum, provide—

(A) for light-duty vehicles—

(i) that emissions of carbon dioxide comply with applicable standards developed by the Environmental Protection Agency under title II of the Clean Air Act (42 U.S.C. 7521 et seq.) and may not exceed, on average, 250 grams per mile; and

(ii) to meet applicable average fuel economy standards developed by the National Highway Traffic Safety Administra-



tion under chapter 329 of title 49, United States Code, of 34.1 miles per gallon; and (B) for medium-duty and heavy-duty vehicles, that comply with applicable standards—

(i) for emissions of carbon dioxide developed by the Environmental Protection Agency under title II of the Clean Air Act (42 U.S.C. 7521 et seq.); and

(ii) for average fuel economy developed by the National Highway Traffic Safety Administration under chapter 329 of title 49, United States Code.

(2) APPLICABILITY.—The standards described in paragraph (1) shall apply to contracted vehicles and vehicles purchased or leased for use by the Postal Service after the date that is 1 year after the date of enactment of this Act.

(3) REDUCTION IN CONSUMPTION OF PETROLEUM PRODUCTS.—The Postmaster General shall reduce the total consumption of petroleum products by vehicles in the Postal fleet by a minimum of 2 percent annually through the end of fiscal year 2025, relative to the baseline established for fiscal year 2005.

1 (b) REPLACING VEHICLES WITHIN THE POSTAL  
2 FLEET.—The Postmaster General shall conduct a cost-  
3 benefit analysis of vehicles in the Postal fleet to determine  
4 if the cost to maintain any such vehicle outweighs the ben-  
5 efit or savings of replacing the vehicle.

6 (c) ROUTE REQUIREMENTS.—To inform and  
7 prioritize purchases, the Postmaster General shall review  
8 and identify Postal delivery routes to determine if motor  
9 vehicles used on such routes can be replaced with tech-  
10 nologies that increase average fuel economy or reduce  
11 emissions of carbon dioxide.

12 (d) REPORTING REQUIREMENTS.—The Postmaster  
13 General shall submit a report to Congress—

14 (1) not later than 1 year after the date of en-  
15 actment of this Act, that contains a plan to achieve  
16 the requirements of subsection (a) and recommenda-  
17 tions for vehicle body design specifications for vehi-  
18 cles purchased for the Postal fleet that would in-  
19 crease average fuel economy and reduce emissions of  
20 carbon dioxide of any such vehicle; and

21 (2) annually, that describes—

22 (A) the progress in meeting the annual  
23 target described in subsection (a)(3); and

1 (B) any changes to Postal delivery routes  
 2 or vehicle purchase strategies made pursuant to  
 3 subsection (c).

4 (e) RESTRICTIONS.—To meet the requirements of  
 5 this Act, the Postmaster General may not—

6 (1) reduce the frequency of delivery of mail to  
 7 fewer than 6 days each week;

8 (2) close post offices or postal distribution fa-  
 9 cilities;

10 (3) take any action that would restrict or di-  
 11 minish a collective bargaining agreement or elimi-  
 12 nate or reduce any employee benefits; or

13 (4) enter into a contract with a private com-  
 14 pany to perform duties that, as of the date of enact-  
 15 ment of this Act, are performed by bargaining unit  
 16 employees.

17 **SEC. 5. DEFINITIONS.**

18 In this Act the following definitions apply:

19 (1) CONTRACTED VEHICLE.—The term “con-  
 20 tracted vehicle”—

21 (A) means any motor vehicle used in car-  
 22 rying out a contract for surface mail delivery  
 23 pursuant to section 5005(a)(3) of title 39,  
 24 United States Code; and

1           (B) does not include any motor vehicle  
2           used in carrying out a contract for surface mail  
3           delivery pursuant to sections 406 and 407 of  
4           such title.

5           (2) MOTOR VEHICLE.—The term “motor vehi-  
6           cle” means any self-propelled vehicle designed for  
7           transporting persons or property on a street or high-  
8           way.

9           (3) POSTAL DELIVERY ROUTE.—The term  
10          “Postal delivery route” means the transportation  
11          route for surface mail delivery.

12          (4) POSTAL FLEET.—The term “Postal fleet”  
13          means any vehicle that is owned, operated, leased, or  
14          otherwise controlled by or assigned to the Postal  
15          Service.

16          (5) POSTAL SERVICE.—The term “Postal Serv-  
17          ice” means the United States Postal Service.

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**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT**

**LEGISLATIVE REPORT  
FROM HOME RULE ADVISORY GROUP  
MEETING OF JANUARY 15, 2014**

HRAG members present:

Dr. Joseph Lyou, Chairman

Dr. Elaine Chang, SCAQMD

Curt Coleman, Southern California Air Quality Alliance

Jayne Joy, Eastern Municipal Water District

Bill LaMarr, California Small Business Alliance

Joy Langford, Vasari Energy Capital

Rongsheng Luo, SCAG (participated by phone)

Bill Quinn, CCEEB (participated by phone)

Terry Roberts, American Lung Association of California

Dmitri Smith on behalf of Chris Gallenstein, CARB (participated by phone)

Lee Wallace, So Cal Gas and SDG&E

Mike Wang, Western States Petroleum Association (WSPA)

SCAQMD staff: Guillermo Sanchez, Bill Wong, and Marilyn Traynor

**LEGISLATIVE UPDATE**

Guillermo Sanchez reported as follows:

**Special Legislative Committee meeting-December 20, 2013**

The Committee discussed AB 1102, Travis Allen's bill on fire rings. SCAQMD has taken an oppose position on this bill which would remove the SCAQMD's authority to regulate fire rings under Rule 444. Moreover, the bill requires all local jurisdictions to obtain a coastal development permit to move, relocate or maintain their fire pits and would subject all local safety, time and condition ordinances with respect to fire rings subject to coastal commission review.

Representatives of the Coastal Commission, the City of Newport Beach, and SCAQMD have initiated discussions to resolve their concerns locally.

**Discussion**

Mr. LaMarr expressed his support of small businesses and their opposition to the removal of the fire rings at the beaches. He commented that the issue may have been less controversial if the stakeholders had been involved in the discussions early on. Dr. Lyou noted that the new alternative technologies that are being developed may actually prove to be financially beneficial to small businesses. He added that he is not opposed to fire rings, in general, but recommended that the existing and new fire rings be used with alternative technologies such as propane or natural gas which are not likely to result in a public nuisance or health threat.

**Legislative Committee meeting-January 17, 2014**

At the Legislative Committee meeting on January 17, 2014, there will be an update on current federal and state legislative issues. Staff will also provide an update on AB 1330 (Perez) Environmental Justice.

At the request of Dr. Lyou, Mr. Sanchez provided the following background on AB 1330:

### **AB 1330 (John Perez) Environmental Justice**

AB 1330 was a gut and amend bill introduced in the last days of session. The intent of AB 1330 was to improve enforcement and increase resources particularly in environmental justice communities. However, as originally drafted, the bill had serious due process concerns and had the potential to redline certain areas, creating further impediments to creating jobs and stimulating the economy. The bill quickly failed after concerns were raised by multiple parties including air districts, labor, and the business community. The Speaker committed to meet with SCAQMD and the other stakeholders to craft a workable bill. In those initial discussions, the Speaker's staff has indicated that bill will be redrafted to focus on serial, egregious violators.

### **Discussion**

Mr. Quinn noted that CCEEB will be working with the author to address CCEEB's strong concerns with the proposed amendments to AB 1330, including those suggested by SCAQMD. Mr. Wang asked for an example of the type of facility that prompted the writing of this bill. Mr. Sanchez responded that the Speaker was particularly concerned with Exide and other battery recycling centers that have been allowed to operate with temporary permits over an extended period of time. Dr. Lyou clarified that the long-term interim permit in question was issued to Exide Technologies by the Department of Toxics Substances Control (DTSC) under the Resource Conservation and Recovery Act (RCRA).

Mr. Wallace requested additional information on the California EJ Alliance principles. Mr. Sanchez offered to send this information to the HRAG members after the meeting.

Dr. Lyou asked for an update on the Governor's Budget. Mr. Sanchez reported as follows:

### **Governor's Budget**

Governor Brown released his budget which proposes an 8.5 percent boost in spending from the current year and includes \$11 billion to pay down state debts and liabilities, \$6 billion in deferred payments to schools, nearly \$4 billion to pay down the "economic recovery" bonds from the previous administration and \$1.6 billion reserve fund. More controversial is his proposal to dedicate greenhouse gas auction revenues to the high speed rail project. Dr. Lyou added that \$250 million has been proposed for high-speed rail projects and approximately \$600 million for other greenhouse gas reduction projects, many of which are established programs that the SCAQMD would like to see funded. Mr. Sanchez noted that the Governor was urging fiscal restraint as the Legislature begins to engage in the budget process.